



Governor Edmund G. Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Mary D. Nichols, Chairperson
Air Resources Board
1001 I Street
Sacramento, CA 95812

CC: Pamela Gupta, Bart Croes, Ryan McCarthy (Air Resources Board)

Subject: Letter of support for incentive program for end users adopting low-GWP refrigeration systems

Dear Governor Brown and Chair Nichols,

On behalf of Grocery Outlet Inc, I am writing to express support for establishing an incentive program to allow supermarkets and other end users to adopt low-global warming potential (GWP) refrigerants to replace hydrofluorocarbons (HFCs) used in commercial refrigeration systems.

We are a California based and founded, extreme value grocery retailer. Our stores are independently owned and operated by families. We serve customers from San Ysidro to the Canadian border.

An incentive program has the power to enable transformative change by helping to overcome current market hurdles to adoption of energy efficient, low-GWP refrigeration systems. These alternative systems are commercially available, but face significant market hurdles to widespread adoption due to high up-front costs that are beyond the financial capabilities of many end users.

We estimate that LOW GWP refrigeration systems are currently a 20% cost premium as compared to DX systems. I would need \$200,000 in incentives to move forward on a CO2 system, which is our goal.

By providing incentives to supermarkets and other end users, California can help create economies of scale for manufacturing, designing, installing, and maintaining these low-GWP systems and equipment.

We strongly support funding for a statewide incentive program that will minimize the barriers related to the upfront costs of low-GWP technologies and allow for their widespread adoption.

Sincerely,

Peter A Marotta
Director of Sustainable Store Planning and Refrigeration
Grocery Outlet Inc.